

## Factors Influencing Purchase Intention towards a Retail Clothing Company

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### Abstract

This research aims to investigate the factors affecting purchase intention towards retail clothing store. Four independent variables were selected in this research; perceived service quality, perceived value for money, brand awareness, and celebrity/brand congruencies. To measure the construct of the research instrument, a survey questionnaire was administered and data were collected from sample of 400 respondents who were customers of a retail clothing company, utilizing convenience sampling techniques. The significance and relationships of perceived service quality, perceived value for money, brand awareness, and celebrity/brand congruencies on purchase intention were tested and analyzed using the MLR. The result showed that all independent variables are positive predictors of purchase intention towards a retail clothing company. This result provided important managerial implications to retail's management to focus on brand awareness to enhance customers' purchase intention and profitability. Further investigation of the factors contributing to purchase intention such as sale promotion is highly suggested for future studies.

**Keywords:** perceived service quality, perceived value for money, brand awareness, celebrity/brand congruencies, purchase intentions.

### Introduction

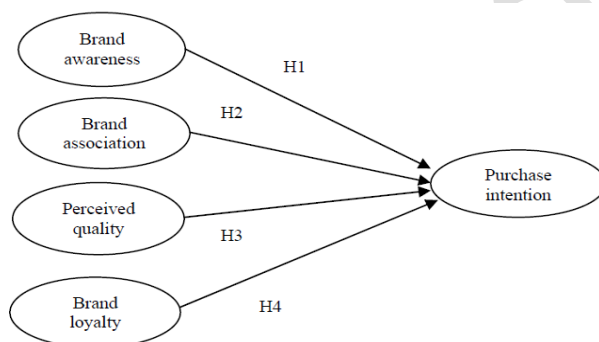
From a single apparel store in Sweden, the retail clothing company, has been a very successful brand operating in Sweden for over a period of time where the brand started its expansion in several countries. The retail clothing company is now a global leader brand in the 'fast-fashion' segment with high competitive advantages. It was first introduced in Thailand during 2012 and rapidly expanded to ten branches in only few years until 2016.

Brand awareness is very important for consumers to recognize the product (Keller,

2008). It can be considered that Thai brand awareness is one of the reasons for consumers to decide to purchase the product. In the same way, using celebrity whose has either the retail characteristics or is matched with the product's feature can influence he customers' attention. However, quality, service and perceived value for money are also very crucial in order have good perception with the consumers. With the successful rapid expansion, the researcher is interested on the factors that lead to the customers' purchase in this retail company. The objective of this research is to examine the factors affecting purchase intention towards the retail clothing company.

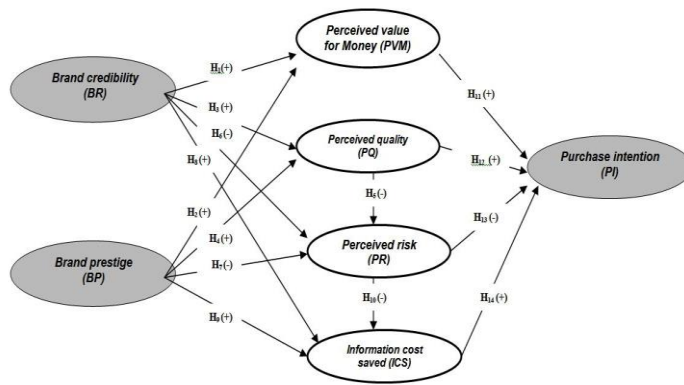
## Literature Review

Jalilvand et al. (2011) analyzed the connection of brand equity dimensions toward intention to purchase. They investigated the impact of brand awareness, brand association, perceived quality, and brand loyalty on customers' purchasing intention by distributing 300 questionnaires on a cluster sampling method in November 2010. The hypotheses were tested by Structural Equation Modeling (SEM) Analysis. The researchers found that brand awareness, brand association, brand loyalty, and perceived quality have a significant impact in the positive way on purchase intention. The correlations of the four factors were significant and all positive as shown in Figure 1.



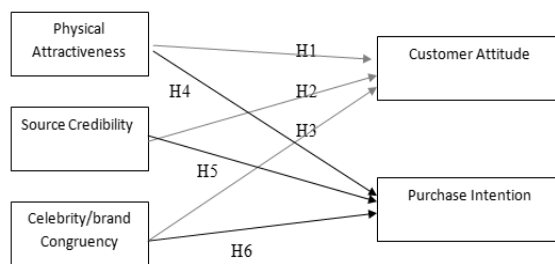
**Figure 1** Theory of Purchase Intention (Jalilvand et al., 2011)

Hanzaee and Taghipourian (2012) determined the effect of brand credibility and prestige toward customers' purchase intention under different levels of product involvement. They investigated the roles of perceived value for money, perceived quality, perceived risk, and information cost saved as moderating role between brand credibility prestige and purchase intention. The research involved undergraduate students from Iran. The researchers found that purchase intention was influenced by brand credibility for low involvement product group. On the other hand, for high involvement, purchasing intention was strongly affected by brand prestige as shown in Figure 2.



**Figure 2** Theory of Purchase Intention (Hanzaee and Taghipourian, 2012)

Zafar and Rafique (2012) determined the effect of celebrity endorsements in terms of physical attractiveness, source credibility, and brand congruency toward purchasing intention of clients. The selected population involved 103 working employees in Pakistan. Data was collected by distributing questionnaires. They found that both attitude and purchase intention of customer are influenced by celebrity. Moreover, customers' perception about the advertised product is impacted by physical attractiveness, credibility and celebrities 'congruence as shown in Figure 3.



**Figure 3:** Theory of Purchase Intention (Zafar and Rafique, 2012)

In depth literature review on perceived service quality, perceived value for money, brand awareness, celebrity/brand congruencies, and purchase intention are follows.

### *Perceived Service Quality*

Customer service quality perception is a key determinant in the service organization's success owing to its primary role in achieving customer satisfaction and organization's profitability (Koteswara et al, 2015). Service quality is also level of greatness or superiority that a firm's product possesses (Dasah et al., 2011). Grunter et al. (2001) conceptualized that the consumer relies on the labels or addicted the brand, the labels as indicators of the product's quality.

### *Perceived Value for Money*

Perceived value for money is a method to measure in absolute terms since value can vary broadly between persons based on their own perception, their individual environments and on their existing choice. Thus, the study of value for money could be performed for both user and provider of service perspective Doughty, and Roberts (2009). Based on Moussa et al. (2013), developing value for money has become a more critical issue, especially for public organizations that own physical infrastructure properties.

### *Brand Awareness*

Brand awareness is the way customers associate the brand with specific product that they plan to be the owner. For the process of communications to emerge, brand awareness is very crucial Sasmita and Suki (2015). According to Norazah (2013), decision making process of customers is greatly impacted by the brand awareness. Brand awareness is also a key reason that supports decision-making on a product of the customers.

### *Celebrity/Brand Congruency*

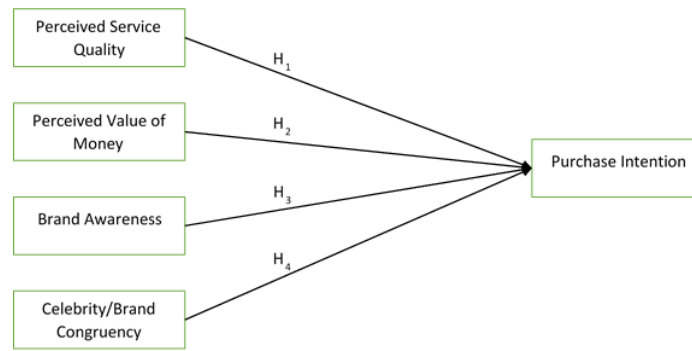
Celebrities are people who feel happy on public acknowledgment by many certain groups of people. They have some distinctive aspects, such as attractiveness, unusual lifestyle or exceptional skills (Schlecht, 2003). According to Jo Kim and Hee Na (2007), celebrity endorsement is one of the best tools of advertising and marketing, especially as a promotional strategy for new product launching, brand repositioning, and brand images reinforcing.

### *Purchase Intention*

According to Lee and Chen (2015), purchase intention is also measure as the chance of decision to buy a particular good or to visit a service store. The decision also came from the perception of value and benefits of the non-customers. Purchase intention has always been treated as a vital variable, and is extensively used in marketing academic literature, since it is a good proxy of real purchase behavior of the customer. One of the key factors for gaining a number of market shares in a market segment is the understanding of purchasing intention of the clients, so analyzing of factor influencing intention to purchase is essential (Coelho et al., 2013).

## **Conceptual Framework**

The conceptual framework was developed on the basis of the aforementioned theories. After reviewing relevant literature, four factors were selected in this research which is perceived service quality, perceived value for money, brand awareness, and celebrity/brand congruencies. The relationship between each independent variables and dependent variable were constructed in Figure 4.



**Figure 4** Conceptual Framework

(Source: Developed by the researcher for this study)

### *- Hypotheses*

H1<sub>a</sub>: There is a significant relationship between perceived service quality and customers' purchase intention.

H2<sub>a</sub>: There is a significant relationship between perceived value for money and customers' purchase intention.

H3<sub>a</sub>: There is a significant relationship between brand awareness and customers' purchase intention.

H4<sub>a</sub>: There is a significant relationship between celebrity/brand congruency and customers' purchase intention.

### **Research Methodology**

The quantitative approach was used to investigate the hypotheses. The method of collecting primary data was a survey questionnaire that was constructed to measure the level of response in each variable. The answers of all variables questions were rated from one (strongly disagree) to five (strongly agree).

The Cronbach's alpha test was utilized to ensure reliability of the research design. MLR was used to investigate the relationship between independent variables and dependent variable.

### *Population and Sample Size*

The target population of this research were people who never purchased products from a retail, whose age are 20 years old or above in Bangkok, Thailand. There were 400 respondents who participated in the survey.

### *Sampling and Data Collection Procedure*

Non-probability sampling technique, convenience sampling was used in the study. The questionnaires were distributed to respondents at the convenient locations, including sending the online questionnaire by posting on Facebook and Line and other social media sites. The collected data were computed and analyzed by Statistical analysis program to test research hypotheses and answer research question.

### *Pretest*

The pretest was conducted to test the reliability of the questions of each variable. It is to ensure that the questionnaire is in the right direction and also has consistent responses. The results of reliability are shown in Table 1, indicating that all questions are reliable to be used.

**Table 1:**

*Reliability Analysis (N = 30)*

Variable	Number of Items	Cronbach's Alpha
Perceived service quality	4	0.812
Perceived value for money	4	0.810
Brand awareness	4	0.849
Celebrity/brand congruency	5	0.791
Purchase intention	4	0.764

### **Data Analysis**

As aforementioned, data from 400 samples was collected. First, the highest percentage in gender is females by 51.25%. Second, the highest percentage in marital status is single by 81%. For age, age between 20 and 30 years old shows the highest percentage, which is 45.75%. Next, the highest percentage in income level is Baht 30,000 to 40,000 by 33.75%. In term of education level, master's degree is the highest by 54.75%. The highest percentage in career is employee by 75%. For brand recognition, social media shows the highest percentage, which is 27%.

**Table 2***Summary of Demographic Factors*

Factors	Highest Percentage
Gender	Female (51.25%)
Marital Status	Single (81%)
Age	20-30 years old (45.75%)
Income level	THB 30,001-40,000 (33.75%)
Education level	Master's degree (54.75%)
Career	Employee (75%)
Brand recognition	Social media (27%)

**- Hypothesis Testing**

MLR was used to examine relationship between each independent variable and purchase intention. For hypothesis 1, the correlation coefficient (r) is equal .503, and the result showed that the significance is equal .000, which is less than .05 (.000<.05). It means that null hypothesis was rejected. For hypothesis 2, the correlation coefficient (r) is equal .637, and the result from the result showed that the significance is equal .000, which is less than .05 (.000<.05). It means that null hypothesis was rejected. For hypothesis 3, the correlation coefficient (r) is equal .769, and the result from the result showed that the significance is equal .000, which is less than .05 (.000<.05). It means that null hypothesis was rejected. For hypothesis 4, the correlation coefficient (r) is equal .683, and the result from the result showed that the significance is equal .000, which is less than .05 (.000<.05). It means that null hypothesis was rejected.

**Table 3***Summary of MLR Analysis (N=400)*

Variable	Correlation coefficient (r)	Level of Significant
Perceived service quality	.503	.000
Perceived value for money	.637	.000
Brand awareness	.769	.000
Celebrity/brand congruency	.683	.000

Each independent variable had a statistically positive relationship with purchase intention at 95 percent confident interval. In particular, the most powerful factor affecting purchase intention was brand awareness. All hypotheses were supported by the finding of research as shown in Table 4.

**Table 4**

*Summary of Hypotheses testing*

Hypothesis	Result
H1 <sub>a</sub> : There is a significant relationship between perceived service quality and customers' purchase intention.	Accepted
H2 <sub>a</sub> : There is a significant relationship between perceived value for money and customers' purchase intention.	Accepted
H3 <sub>a</sub> : There is a significant relationship between brand awareness and customers' purchase intention.	Accepted
H4 <sub>a</sub> : There is a significant relationship between celebrity/brand congruency and customers' purchase intention.	Accepted

### Discussion and Conclusions

All independent variables, which are perceived service quality, perceived value for money, brand awareness and celebrity/brand congruencies were found to be statistically significant predictors to purchase intention to people who never had experience purchasing from the retail clothing company in Bangkok, Thailand.

Regarding perceived service quality, this research finding was consistent with that of Saleem, et al (2015). The study found that there is positive relationship between perceived service quality and purchase intention.

For perceived value for money, this research finding was in line with the finding of Mahesh (2013) in that the reasonable price and value for money are positively influencing the consumer's purchase intention of green products.

For brand awareness factor, the researcher found that brand awareness was the strongest predictor of purchase intention in this study. This research finding conforms to



the finding of Chi, Yeh, and Yang (2009) who states that the relations among the brand awareness, perceived quality and brand loyalty for purchase intention are significant and positive effect.\

Finally, this research proved that celebrity/brand congruency brand awareness has a direct effect on purchase intention. This finding was similar to previous research of Hanzaee and Taghipourian (2012) who states that celebrity endorsement has strong impact on customers' perception and purchase intention.

Findings of the current research indicate that perceived service quality, perceived value for money, brand awareness, and celebrity/brand congruency are all crucial factors that can create purchase intention towards the retail clothing company. These findings have significant managerial implication given purchase intention has been a pivotal role for developing competitive advantage in the market.

### **Recommendation**

In order to boost purchasing level for increasing sales and profit, management of a retail should adopt the finding from four variables in this research to develop the company's strategy in many aspects, such as marketing plan, financial plan, budgeting, and others.

For perceived service quality, management should focus on service-mindedness of the staffs in the stores by providing training on a regular basis. For perceived value for money, it's very important to have quality standard of the products and also launch advertising campaign promoting the durable of materials used in order to convince people to feel that that product the worth their money to purchase. The advertising campaign also support brand awareness. Based on the finding in this research, social media is the most effective way for creating brand awareness. Finally, celebrity is another factor that influences purchasing intention. Therefore, management should do further research on the characteristic of brand celebrity in order to select appropriate brand ambassador of the company in the future.

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